

§ 123.603 What is the interest rate on an economic injury disaster loan under this subpart?

Your economic injury disaster loan under this subpart will have an interest rate of 4 percent per annum or less.

§ 123.604 How can my business spend my economic injury disaster loan under this subpart?

(a) You can only use the loan proceeds for working capital necessary to carry your concern until resumption of normal operations and for expenditures necessary to alleviate the specific economic injury, but not to exceed that which the business could have provided had the injury not occurred.

(b) Loan proceeds may not be used to:

(1) Refinance indebtedness which you incurred prior to September 11, 2001;

(2) Make payments on loans owned by another federal agency (including SBA) or a Small Business Investment Company licensed under the Small Business Investment Act;

(3) Pay, directly or indirectly, any obligations resulting from a federal, state or local tax penalty as a result of negligence or fraud, or any non-tax criminal fine, civil fine, or penalty for non-compliance with a law, regulation, or order of a federal, state, regional, or local agency or similar matter;

(4) Repair physical damage; or

(5) Pay dividends or other disbursements to owners, partners, officers, or stockholders, except for reasonable remuneration directly related to their performance of services for the business.

§ 123.605 How long do I have to apply for a loan under this subpart?

You have until January 22, 2002 to apply for a loan under this subpart. Your application must be postmarked no later than this date. SBA has the discretion, for good cause, to extend the application deadline by publication of a notice in the FEDERAL REGISTER.

§ 123.606 May I request an increase in the amount of an economic injury disaster loan under this subpart?

Yes. Notwithstanding § 123.20, you may request an increase in the amount of an economic injury disaster loan under this subpart not later than one

year after the date SBA approves your initial request.

PART 124—8(a) BUSINESS DEVELOPMENT/SMALL DISADVANTAGED BUSINESS STATUS DETERMINATIONS

Subpart A—8(a) Business Development

PROVISIONS OF GENERAL APPLICABILITY

Sec.

124.1 What is the purpose of the 8(a) Business Development program?

124.2 What length of time may a business participate in the 8(a) BD program?

124.3 What definitions are important in the 8(a) BD program?

ELIGIBILITY REQUIREMENTS FOR PARTICIPATION IN THE 8(a) BUSINESS DEVELOPMENT PROGRAM

124.101 What are the basic requirements a concern must meet for the 8(a) BD program?

124.102 What size business is eligible to participate in the 8(a) BD program?

124.103 Who is socially disadvantaged?

124.104 Who is economically disadvantaged?

124.105 What does it mean to be unconditionally owned by one or more disadvantaged individuals?

124.106 When do disadvantaged individuals control an applicant or Participant?

124.107 What is potential for success?

124.108 What other eligibility requirements apply for individuals or businesses?

124.109 Do Indian tribes and Alaska Native Corporations have any special rules for applying to the 8(a) BD program?

124.110 Do Native Hawaiian Organizations have any special rules for applying to the 8(a) BD program?

124.111 Do Community Development Corporations (CDCs) have any special rules for applying to the 8(a) BD program?

124.112 What criteria must a business meet to remain eligible to participate in the 8(a) BD program?

APPLYING TO THE 8(a) BD PROGRAM

124.201 May any business submit an application?

124.202 Where must an application be filed?

124.203 What must a concern submit to apply to the 8(a) BD program?

124.204 How does SBA process applications for 8(a) BD program admission?

124.205 Can an applicant ask SBA to reconsider SBA's initial decision to decline its application?

124.206 What appeal rights are available to an applicant that has been denied admission?

Pt. 124

13 CFR Ch. I (1–1–09 Edition)

124.207 Can an applicant reapply for admission to the 8(a) BD program?

EXITING THE 8(a) BD PROGRAM

124.301 What are the ways a business may leave the 8(a) BD program?

124.302 What is early graduation?

124.303 What is termination?

124.304 What are the procedures for early graduation and termination?

124.305 What is suspension and how is a Participant suspended from the 8(a) BD program?

BUSINESS DEVELOPMENT

124.401 Which SBA field office services a Participant?

124.402 How does a Participant develop a business plan?

124.403 How is a business plan updated and modified?

124.404 What business development assistance is available to Participants during the two stages of participation in the 8(a) BD program?

124.405 How does a Participant obtain Federal Government surplus property?

CONTRACTUAL ASSISTANCE

124.501 What general provisions apply to the award of 8(a) contracts?

124.502 How does an agency offer a procurement to SBA for award through the 8(a) BD program?

124.503 How does SBA accept a procurement for award through the 8(a) BD program?

124.504 What circumstances limit SBA's ability to accept a procurement for award as an 8(a) contract?

124.505 When will SBA appeal the terms or conditions of a particular 8(a) contract or a procuring activity decision not to reserve a requirement for the 8(a) BD program?

124.506 At what dollar threshold must an 8(a) procurement be competed among eligible Participants?

124.507 What procedures apply to competitive 8(a) procurements?

124.508 How is an 8(a) contract executed?

124.509 What are non-8(a) business activity targets?

124.510 What percentage of work must a Participant perform on an 8(a) contract?

124.511 How is fair market price determined for an 8(a) contract?

124.512 Delegation of contract administration to procuring agencies.

124.513 Under what circumstances can a joint venture be awarded an 8(a) contract?

124.514 Exercise of 8(a) options and modifications.

124.515 Can a Participant change its ownership or control and continue to perform

an 8(a) contract, and can it transfer performance to another firm?

124.516 Who decides contract disputes arising between a Participant and a procuring activity after the award of an 8(a) contract?

124.517 Can the eligibility or size of a Participant for award of an 8(a) contract be questioned?

124.518 How can an 8(a) contract be terminated before performance is completed?

124.519 Are there any dollar limits on the amount of 8(a) contracts that a Participant may receive?

124.520 Mentor/Protege program.

MISCELLANEOUS REPORTING REQUIREMENTS

124.601 What reports does SBA require concerning parties who assist Participants in obtaining federal contracts?

124.602 What kind of annual financial statement must a Participant submit to SBA?

124.603 What reports regarding the continued business operations of former Participants does SBA require?

MANAGEMENT AND TECHNICAL ASSISTANCE PROGRAM

124.701 What is the purpose of the 7(j) management and technical assistance program?

124.702 What types of assistance are available through the 7(j) program?

124.703 Who is eligible to receive 7(j) assistance?

124.704 What additional management and technical assistance is reserved exclusively for concerns eligible to receive 8(a) contracts?

Subpart B—Eligibility, Certification, and Protests Relating to Federal Small Disadvantaged Business Programs

124.1001 General applicability.

124.1002 What is a Small Disadvantaged Business (SDB)?

124.1003 How does a firm become certified as an SDB?

124.1004 What is a misrepresentation of SDB status?

124.1005 How long does an SDB certification last?

124.1006 Can SBA initiate a review of the SDB status of a firm claiming to be an SDB?

124.1007 Who may protest the disadvantaged status of a concern?

124.1008 When will SBA not decide an SDB protest?

124.1009 Who decides disadvantaged status protests?

124.1010 What procedures apply to disadvantaged status protests?

Small Business Administration

§ 124.3

- 124.1011 What format, degree of specificity, and basis does SBA require to consider an SDB protest?
- 124.1012 What will SBA do when it receives an SDB protest?
- 124.1013 How does SBA make disadvantaged status determinations in considering an SDB protest?
- 124.1014 Appeals of disadvantaged status determinations.

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Subpart A—8(a) Business Development

SOURCE: 63 FR 35739, June 30, 1998, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to part 124 appear at 72 FR 50040 and 50041, Aug. 30, 2007.

PROVISIONS OF GENERAL APPLICABILITY

§ 124.1 What is the purpose of the 8(a) Business Development program?

Sections 8(a) and 7(j) of the Small Business Act authorize a Minority Small Business and Capital Ownership Development program (designated the 8(a) Business Development or “8(a) BD” program for purposes of the regulations in this part). The purpose of the 8(a) BD program is to assist eligible small disadvantaged business concerns compete in the American economy through business development.

§ 124.2 What length of time may a business participate in the 8(a) BD program?

A Participant receives a program term of nine years from the date of SBA’s approval letter certifying the concern’s admission to the program. The Participant must maintain its program eligibility during its tenure in the program and must inform SBA of any changes that would adversely affect its program eligibility. A firm that completes its nine year term of participation in the 8(a) BD program is deemed to graduate from the program. The nine year program term may be shortened only by termination, early graduation or voluntary graduation as provided for in this subpart.

§ 124.3 What definitions are important in the 8(a) BD program?

Alaska Native means a citizen of the United States who is a person of one-fourth degree or more Alaskan Indian (including Tsimshian Indians not enrolled in the Metlaktla Indian Community), Eskimo, or Aleut blood, or a combination of those bloodlines. The term includes, in the absence of proof of a minimum blood quantum, any citizen whom a Native village or Native group regards as an Alaska Native if their father or mother is regarded as an Alaska Native.

Alaska Native Corporation or ANC means any Regional Corporation, Village Corporation, Urban Corporation, or Group Corporation organized under the laws of the State of Alaska in accordance with the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601, *et seq.*)

Bona fide place of business, for purposes of 8(a) construction procurements, means a location where a Participant regularly maintains an office which employs at least one full-time individual within the appropriate geographical boundary. The term does not include construction trailers or other temporary construction sites.

Community Development Corporation or CDC means a nonprofit organization responsible to residents of the area it serves which has received financial assistance under 42 U.S.C. 9805, *et seq.*

Concern is defined in part 121 of this title.

Days means calendar days unless otherwise specified.

Day-to-day operations of a firm means the marketing, production, sales, and administrative functions of the firm.

Immediate family member means father, mother, husband, wife, son, daughter, brother, sister, grandfather, grandmother, grandson, granddaughter, father-in-law, and mother-in-law.

Indian tribe means any Indian tribe, band, nation, or other organized group or community of Indians, including any ANC, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, or is recognized as such by the State in which the tribe, band, nation,